



GREATER HAMILTON LABOUR FORCE ECONOMICS - REPORT 87-2

Hamilton-Wentworth Region • Planning and Development Department • Strategic Planning Division

INTRODUCTION

The size and composition of the employed labour force reflect the employment patterns of local business and industry. This bulletin provides a profile of the employed labour force and summarizes some of the trends that have characterized its recent growth.

The information in this bulletin relates to the Hamilton Census Metropolitan Area (CMA), which consists of all of Hamilton-Wentworth plus Burlington and Grimsby. Where information on specific trends was not available at the CMA level, Provincial summaries were used.

The employed labour force includes all residents of the Hamilton Census Metropolitan Area who have jobs either within the CMA or in neighbouring cities and municipalities.

The primary data sources used in the labour force analysis in this bulletin are: the monthly Statistics Canada sample survey of the labour force and the Census of Canada.

HIGHLIGHTS...

THE HAMILTON CMA'S EMPLOYED LABOUR FORCE

The size and composition of the employed labour force in 1986 was 280,500, 20 per cent higher than in 1976.

Employment remains specialized in manufacturing relative to the Ontario economy, despite recent increases in non-manufacturing employment.

The employed labour force in the service sector increased dramatically between 1985 and 1986.

The fastest growing occupational group between 1980 and 1986 was that of managerial and professional.

Approximately 71 percent of part-time workers are female. Many of the part-time positions are in service, sales and clerical occupations.

In 1986, 24 percent of the employed labour force possessed a post-secondary certificate or a university degree.

Unemployment rates have been decreasing steadily since 1983, an indication of the economy's recovery from the recession of the early 1980's.

Forty-two percent of the participants in the labour force are female, although female participation rates in the CMA remain lower than in Ontario.



GROWTH

In 1986, there were 280,500 employed people resident in the Hamilton CMA. This was 7.2 percent more than in 1985.

The number of employed grew by approximately 20 percent in the period from 1976 to 1986. However, this growth was interrupted by a 1.0 percent decrease in 1980, a 0.9 percent decrease in 1985, and more severe decreases of 2.7 percent in 1982 and 2.2 percent in 1983.

AVERAGE ANNUAL GROWTH IN THE EMPLOYED LABOUR FORCE

Year	Ontario (% Growth)	Hamilton CMA (% Growth)
1980	1.5	-1.0
1981	2.9	2.2
1982	-2.5	-2.7
1983	0.7	-2.2
1984	3.6	7.5
1985	3.7	-0.9
1986	3.5	7.2

Sources: Statistics Canada, Labour Force Annual Averages, 1980-1983, Catalogue 71-529, Labour Force, Catalogue 71-001 (1984-1985, 1986)

COMPARATIVE GROWTH

The 7.2 percent growth in 1986 compared favourably to the 3.5 percent growth rate achieved by the Province. This is the second year since 1980 that the employed labour force has grown faster in the Hamilton CMA than in the Province of Ontario.

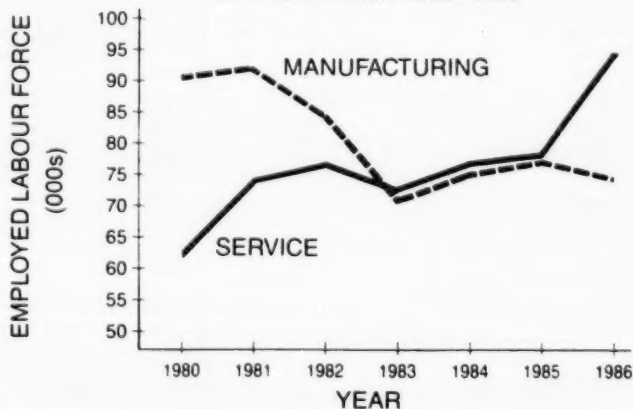
The 1982 recession was responsible for a more dramatic decline in employment in Hamilton than in Ontario. This is not surprising, as the recession was led by a sharp decline in manufacturing, the sector of traditional employment concentration in the area. Even in 1983, when the effects of the recession on employment in Ontario were levelling off, there was a 2.2 percent decline in the employed labour force in the Hamilton CMA.

INDUSTRY TRENDS

Employment in the service sector has increased significantly since the recession. In 1983, the employed labour force in the service sector surpassed the employed labour force in the manufacturing sector for the first time. In 1986, the labour force employed in the service sector increased dramatically, climbing to approximately 93,400.

Employment in the manufacturing sector has increased only moderately since the drastic decreases of 1982 and 1983. In 1986, the labour force employed in the manufacturing sector averaged 76,200, down from 91,600 in 1981.

EMPLOYED LABOUR FORCE SERVICE AND MANUFACTURING INDUSTRIES HAMILTON CMA 1980-1986



Sources: Statistics Canada, Labour Force Survey Sub-Division, Household Surveys Division, Microfiche Files (1980-1986)

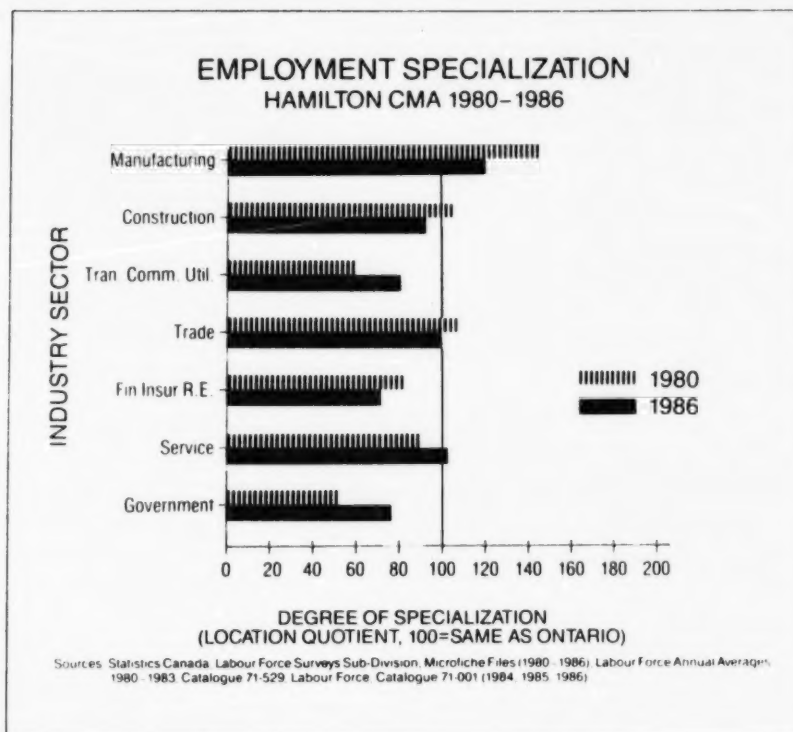
EMPLOYMENT SPECIALIZATION

In spite of a decreasing concentration of employment in manufacturing, the local economy remains specialized in manufacturing relative to the Provincial economy.

Since 1980, Hamilton's degree of specialization relative to the Ontario economy has increased in the government, service, and transportation, communication, and utilities sectors.

A location quotient was used in this analysis to measure employment specialization. When an industry sector's share of total employment is greater in the Hamilton CMA than in Ontario, the location quotient is greater than 100 and employment specialization exists.

Note: The service sector encompasses the education, health, and business and personal service industries. The service sector labour force includes individuals of all occupations working in any of the service industries. By contrast, service occupations are classified on the basis of the duties and responsibilities of a job and include occupations in food and beverage preparation, lodging, and personal and protective services.



OCCUPATIONAL GROWTH

The recession and subsequent recovery had a profound impact on occupational growth. Between 1980 and 1986, the employed labour force in the Hamilton CMA declined in the primary, processing, and construction occupational groups.

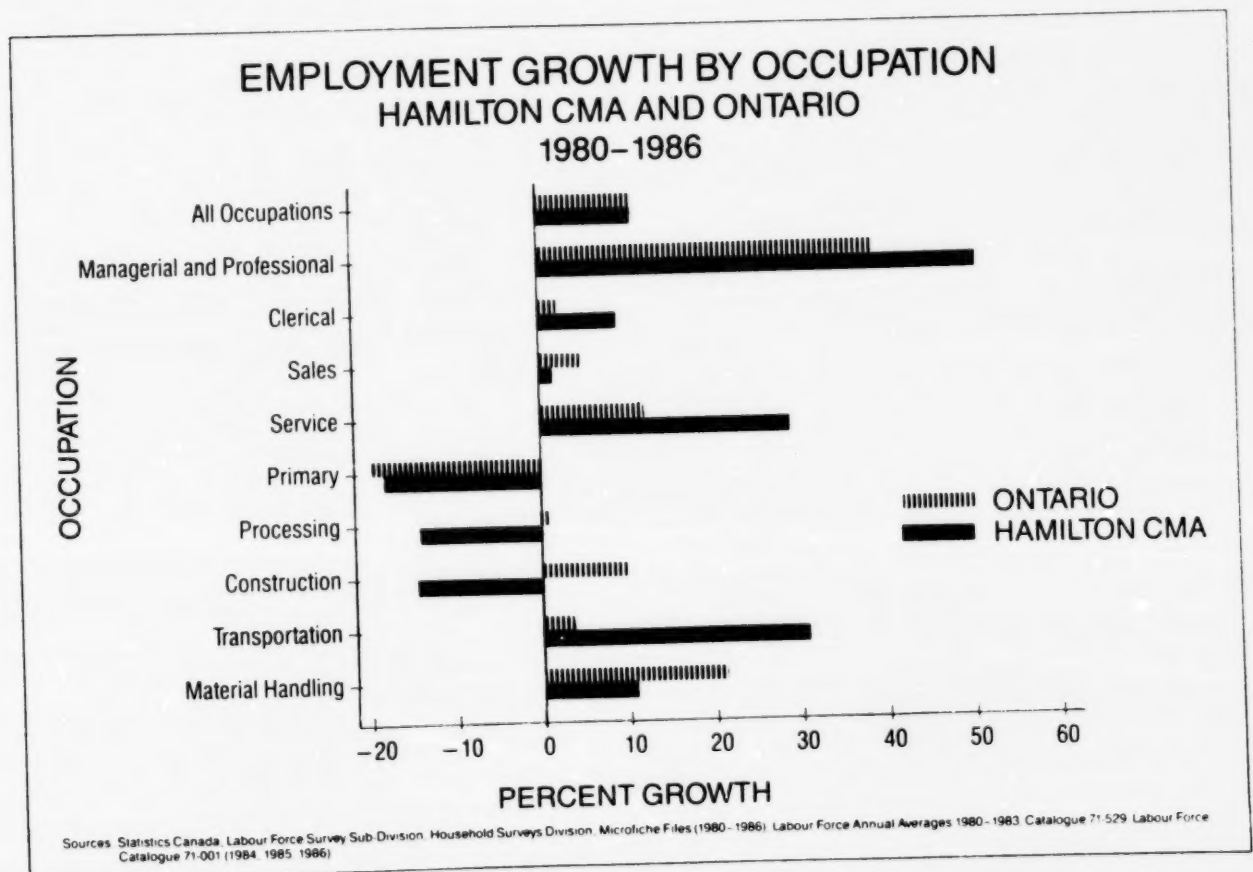
The fastest growing occupations over this time period were managerial and professional. Employment in transportation and service occupations also rose, increasing by more than 25 percent over the six years.

The occupational shifts were perhaps more dramatic in the Hamilton CMA than in Ontario due to the traditional concentration of processing occupations in the local manufacturing sector. Managerial and professional, service, transportation, and clerical jobs all grew faster in the CMA than they did in the Province.

The transformation to an information economy will continue into the foreseeable future. The 1984 Ontario Task Force on Employment and New Technology identified six

occupational groups as most likely to increase their share of employment between 1985 and 1995. Four of these groups fall into the classification of managerial and professional occupations. The six groups are:

- services
- natural sciences, engineering, and mathematics
- managerial and administrative;
- clerical;
- social sciences;
- artistic, literary, and recreation.

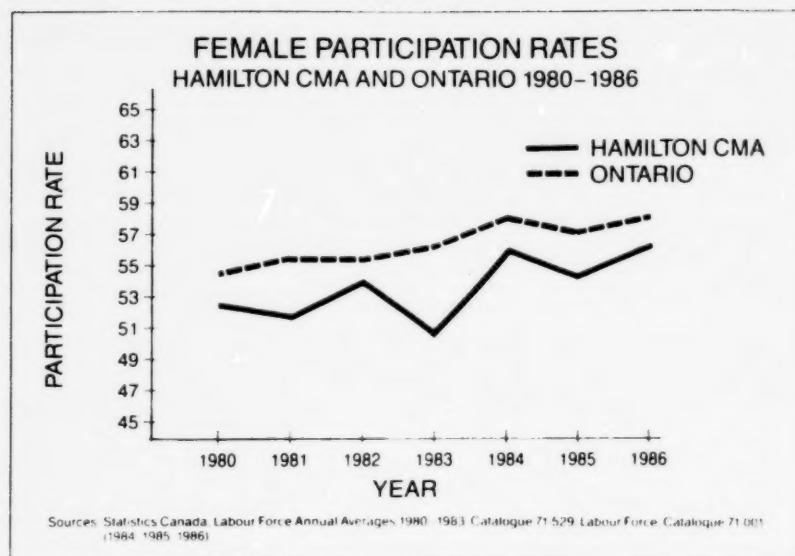


FEMALE PARTICIPATION RATES

An important component of post-World War II employment growth has been the increasing number of women in the labour market. The female participation rate indicates the percentage of women 15 years of age and over who are active in the labour force, either employed or seeking employment.

The female participation rate in the Hamilton CMA reached its highest level ever in 1986, when it rose to 55.8 percent from 54.6 percent in 1985. The rate dropped sharply between 1982 and 1983 when jobs were scarce; it rebounded quickly as the economy improved.

Female participation rates have not yet reached the levels recorded for the Province of Ontario, where the 1986 female participation rate averaged 58.5 percent.



PART-TIME EMPLOYMENT

The changing industrial and occupational composition of the workforce has been accompanied by an increasing incidence of part-time employment. Twenty-eight percent of employment growth in Ontario between 1980 and 1986 was as a result of a rising number of part-time workers.⁽¹⁾

Females dominate part-time employment. Thirty percent of the 116,200 females in the employed labour force work part-time.

Clerical, sales, and service occupations have a greater concentration of part-time workers than the labour force as a whole. In the Hamilton CMA, 40 percent of the employed labour force in service occupations is part-time. In contrast, about 98 percent of the employed labour force in processing occupations work full-time.

⁽¹⁾The Statistics Canada definition of part-time employment is used in this analysis. Part-time employment refers to those persons who usually work less than 30 hours per week and who consider themselves to be working part-time.

PART-TIME AND FULL-TIME EMPLOYED LABOUR FORCE BY SEX

HAMILTON CMA 1986

% of Employed Labour Force

	Full-Time	Part-Time
Both Sexes	83	17
Males	91	9
Females	70	30

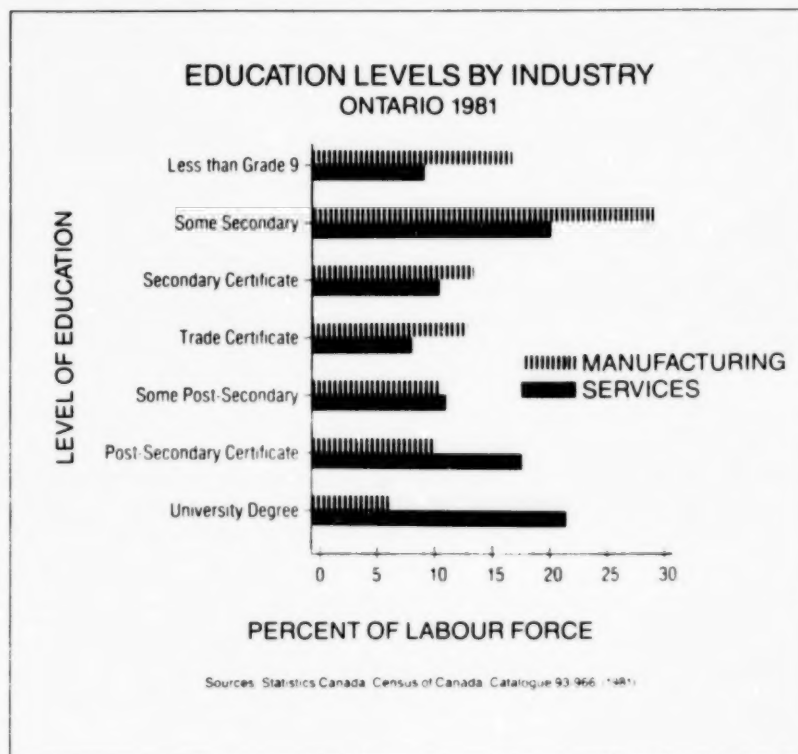
Estimates prepared by Statistics Canada, Labour Force Survey Sub-Division, Household Surveys Division, Reference Number 887010

EDUCATION AND EMPLOYMENT

A highly educated labour force is necessary in an increasingly knowledge-intensive economy. Between 1980 and 1986, there was a 44 percent increase in the employed labour force possessing a post-secondary certificate. The employed labour force with a university degree grew by 43 percent. Over this period there was a decrease in the number of employed with less than Grade 9 education.

The increasing demand for individuals with higher levels of education is associated with employment growth in the service sector. In 1981, 22 percent of the service sector labour force in Ontario possessed a university degree. This is in contrast to the 6 percent of the labour force in the manufacturing sector with similar qualifications.

As service sector growth opens up opportunities for those with higher levels of education, the decrease in the manufacturing sector's share of employment will limit opportunities for those with less education. In 1981, seventy-three percent of the labour force in the manufacturing sector lacked any post-secondary training, making this sector an important source of employment for individuals who have not attended a post-secondary institution. At the same time, 51 percent of the service sector labour force had some post-secondary education.



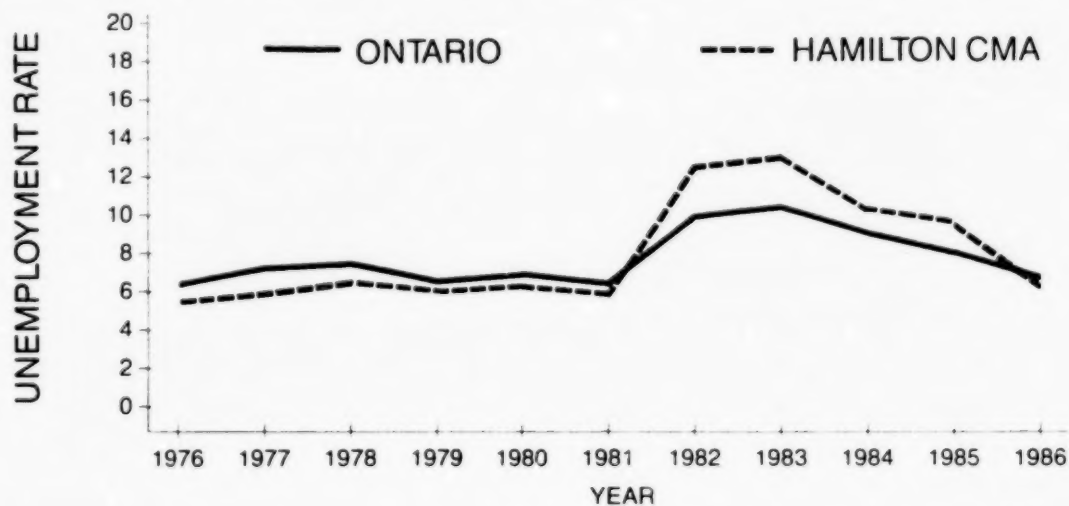
UNEMPLOYMENT HISTORY

The rate of unemployment in an area is a measure of the extent to which the economy is providing, or failing to provide, employment for those who desire work. In 1986, the average annual unemployment rate of 6.9 percent in the Hamilton CMA was the lowest experienced since the onset of the recession in 1981. For the first time since 1981, the local unemployment rate was lower than the unemployment rate in Ontario.

The unemployment rates in Ontario and in the Hamilton CMA have followed the same general trend during the past decade, although the Hamilton CMA suffered a more severe rate of unemployment during the economic recession, a condition that took several years of generally favourable employment growth to reverse.

The CMA experienced higher unemployment rates than did the Province because its economy was more concentrated in the manufacturing sector. The Provincial economy, with a different mix of industry sectors, was less vulnerable to this sectoral decline.

UNEMPLOYMENT HISTORY
HAMILTON CMA AND ONTARIO 1976-1986



Sources: Statistics Canada, Labour Force Annual Averages 1980-1983 Catalogue 71-529, Labour Force Catalogue 71-001 (1984-1985-1986).

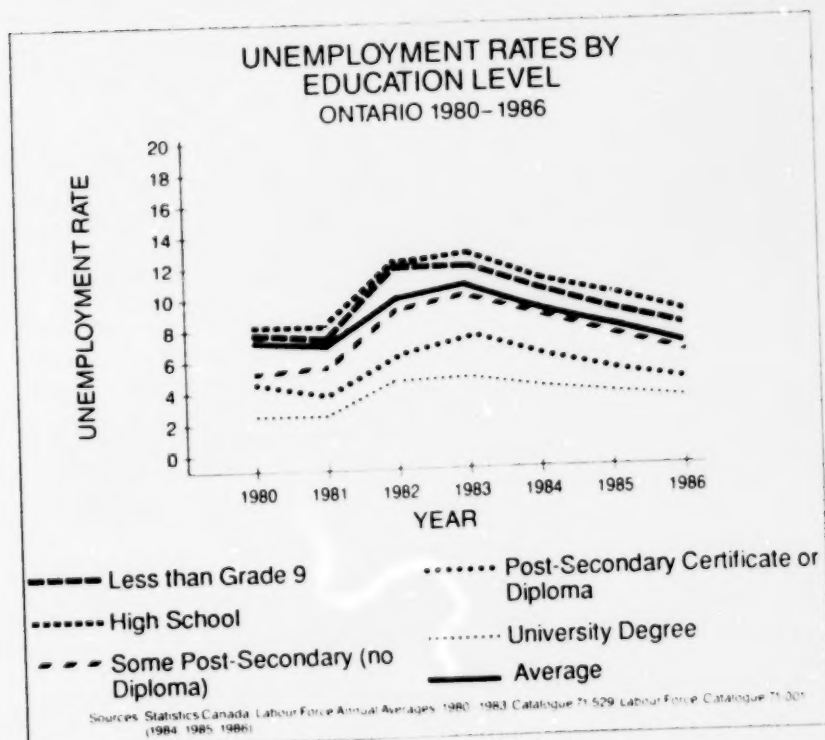
UNEMPLOYMENT PROFILE

Relatively low levels of unemployment mask the difficulties in obtaining employment encountered by certain groups in the labour force.

A group requiring attention is that of individuals with lower levels of education. Between 1980 and 1986, the annual unemployment rates in Ontario for those lacking a post-secondary education were considerably higher than the norm. During the recession of the early eighties, unemployment rates for all educational categories rose, but the rise was more dramatic for

those with a high school diploma or less. Although this data relates to the Province of Ontario, it is likely that the pattern in Hamilton was similar.

Unemployment rates also vary by sex and age. In 1986, females in the Hamilton CMA experienced a rate of unemployment of 8.6 percent, 51 percent higher than the male unemployment rate of 5.7 percent. Youth are especially vulnerable to unemployment and, in 1986, individuals 15-24 years of age encountered an unemployment rate of 11 percent.



SKILLED LABOUR REQUIREMENTS

Many jobs in the manufacturing and construction sectors require workers with a particular combination of skills. Although these sectors have not played an important role in employment growth during the 1980s, job opportunities do exist. In addition to the openings created through normal staff turnover, there are jobs in construction as a result of the recent building boom. A demand for new skills has also emerged in the manufacturing sector as a result of recent technological changes.

Between March 31, 1986 and April 1, 1987, the Canada Employment and Immigration Centres in the Hamilton CMA registered approximately 500 vacancies for truck drivers, over 400 for carpenters, and over 300 for welders. More than 100 job vacancies were posted in other manufacturing occupations, including machinists and related occupations.

In some occupations, the number of vacancies posted exceeded the number of placements made, indicating a possible shortage of workers with related skills. The Canada Employment and Immigration Centre records reflected such possible shortages in the occupations of motor vehicle mechanic, brick and stone masonry, and plumbing and pipefitting between March 31, 1986 and April 1, 1987.

LABOUR FORCE

For more information contact the Planning and Development Department, Strategic Planning Division, 526-4348.